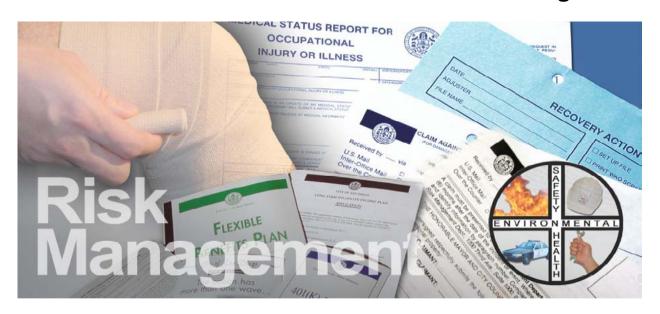
Risk Management



Department Description

The Risk Management Department manages the City's self-insured Workers' Compensation Programs; coordinates public liability and loss control measures intended to forecast and reduce the City's exposure to risks; administers employee health and safety programs, employee benefits contracts, and programs including employee savings plans, the Long-Term Disability Plan, and the Employee Assistance Program (EAP).

The Department's mission is:

To effectively prevent, control, and minimize the City's financial risk while providing optimum services to the City's employees and the public through the centralized administration of healthcare, safety, loss control, employee benefit, and other risk management programs

Goals and Objectives

The following goals and objectives represent the action plan for the Department.

Goal 1: Maintain good stewardship over City finances

In order for the City to operate in the most efficient and effective manner possible, the Department must serve as a good steward of the City's finances. It must promote cost effective strategies and continue to improve accountability within the Department. The Department will move toward accomplishing this goal by focusing on the following objectives.

- Meet reserve policy targets
- Deliver services in a cost-effective manner

Goal 2: Reduce risk and loss exposure

In the past, the City focused on reacting to issues that arose. It is the Department's goal to reduce risk and loss exposure and create a more proactive culture within the City. The Department will move toward accomplishing this goal by focusing on the following objectives.

- Promote and encourage behaviors that minimize loss
- Promote the importance of employee safety
- Identify and monitor loss metrics

Risk Management

Service Efforts and Accomplishments

As a result of recent internal reviews and external operational assessments and rapidly rising workers' compensation costs, Risk Management developed an optimization plan. This plan continues to increase all City departments' awareness of the areas where losses are occurring and where resources should be applied to reduce the volume and subsequent costs of incidents. The Safety and Environmental Health Division is working with City departments to develop aggressive, prevention-oriented programs intended to increase safety awareness and accountability while lowering injury rates and costs. The Workers' Compensation Division has implemented best practices for claims administration, including a Medical Provider Network for the optimal treatment of the City's injured workforce.

Budget Dollars at Work: Performance Expectations

Goal 1: Maintain good stewardship over City finances

	Performance Measure	Baseline FY2007	Actual FY2008	Target FY2009
1.	Reserve balances in millions (and percentage of reserve goals) at the beginning and ending of fiscal year for Long Term Disability	\$3.0 / 30%	\$3.0 / 30%	\$5.3 / 40%
2.	Reserve balances in millions (and percentage of reserve goals) at the beginning and ending of fiscal year for Public Liability	\$0 / 0%	\$0 / 0%	\$11.4 / 20%
3.	Reserve balances in millions (and percentage of reserve goals) at the beginning and ending of fiscal year for Workers' Compensation	\$19.3 / 20%	\$19.5 / 20%	\$24.1 / 30%
4.	Percent increase/decrease of largest HMO healthcare premiums from prior year relative to industry trend	Industry trend: 9.5% increase 11% increase		7.4% increase
5.	Ratio of workers' compensation claims by claim representative compared to industry standards	Industry Standard:150%	City: 159%	City: 159%
6.	Ratio of public liability claims by claim representative compared to industry standards	Industry Standard:140%	City: 155%	City: 184%

Goal 2: Reduce risk and loss exposure

	Performance Measure	Baseline FY2007	Actual FY2008	Target FY2009
1.	Percent of investigations resulting in Occupational	50%	0%	0%
	Safety and Health Administration (OSHA) citations			
2.	Percent of safety audits (conducted in departments	86%	N/A^1	100%
	with the largest workers compensation exposure) found			
	to have implemented best practices for employee			
	safety			
3.	Percent increase/decrease of average 'Recordable	11% decrease	N/A^3	10% decrease
	Injury Incident Rate' (injuries requiring medical			
	attention beyond first aid) as compared to prior year			
	for the seven largest departments ²			
4.	Percent increase/decrease of average 'Lost/Rest Rate'	24% decrease	N/A ³	10% decrease
	(accident cases per 100 full time employees) as			
	compared to prior year for the seven largest			
	departments			

¹ Data available in October 2008

² The seven largest departments are: Police, Fire-Rescue, Water, Metropolitan Wastewater, Environmental Services, General Services, and Park & Recreation.

³ Data available in September 2008

Risk Management

	Performance Measure	Baseline FY2007	Actual FY2008	Target FY2009
5.	Percent increase/decrease of 'Lost Days' (lost days as a result of a work-related injury) as compared to prior year for the seven largest departments	10% decrease	N/A ³	10% decrease
6.	Percent increase/decrease of workers compensation claims compared to prior year (as an indicator of safety program effectiveness)	7% decrease	2% decrease	8% decrease
7.	Number of quarterly Safety Performance Reports that include statistics for the seven largest departments on preventable vehicle accidents (as a first step to initiating a campaign to reduce preventable vehicle accidents)	N/A	N/A	4
8.	Percent increase/decrease of preventable accidents compared to prior year for the seven largest departments	37% increase	17% decrease	12% decrease

Budget Dollars at Work: Sizing and Workload Data

	Actual FY2005	Actual FY2006	Actual FY2007	Actual FY2008	Target FY2009		
Sizing Data							
Number of new employees enrolled in the City's	511	487	479	574	N/A ⁴		
benefit programs							
Number of health care programs provided	21	21	21	13	8		
Workle	Workload Data						
Number of prevention-oriented training sessions	27	25	22	37	22		
provided by Risk Management							
Number of safety audits completed	7	7	7	7	7		
Number of public liability claims managed	3,026	2,375	2,278	2,482	N/A ²		
Number of workers' compensation claims managed	3,863	3,723	3,878	3,879	N/A ²		
Number of benefit changes processed by Risk	2,617	2,968	2,264	1,932	N/A ²		
Management							
Number of new requests for EAP consultations	323	344	271	272	N/A ²		
Number of EAP training sessions (sponsor or participant)	30	32	28	41	28		

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⁴ Cannot accurately set target for data